



Community Benefit Guidance

**Guidance for Developers of Renewable
Energy Projects.**

Introduction

The Scottish Government is committed to increasing renewable generation as a means of reducing carbon emissions and tackling climate change. To achieve this, targets have been set to increase renewable energy production to 40% by 2020. In 2014 Scottish Government published national guidance and in The Good practice principles for Community Benefits from Onshore Renewable Energy developments, developers are encouraged to make a contribution of at least £5,000 to the affected communities, index linked for the lifetime of the project.

Community benefit is an evolving process and is shaped by local context and the needs of local communities. The object of the guidance document is to help developers to understand their role in the process of agreeing project specific community benefit arrangements with the community. It is expected that large scale wind or other renewable energy projects will benefit the community that is directly impacted by the development. Community benefit is a voluntary contribution and will not affect any planning decisions being made. Large scale renewable energy developments can create complex issues within communities and it is good practice for developers to engage and work with communities to create strong resilient communities.

What is defined as the community?

Generally the host community is referred to as being within the geographical area, 10 miles in radius from the outer bounds of the development. This could incorporate one or more community councils and a range of other community organisations. The developer and the host community must agree on who is the best representative body to manage the community benefit fund.

The host community which would benefit financially or otherwise from any development will vary according to local circumstances. The boundaries of eligible areas may include the wider community; this can happen when the visual impact is prominent and affects multiple community council areas. Other considerations may include the agreed compensation to the community, if the compensations is disproportionately high compared to the size of the community, it can be agreed that a percentage would be made available to other communities locally. Nearby communities may have projects that benefit the desired community or the scope of the project may visually or otherwise impact on a wider geographical area. In certain situations there may be multiple funding streams, e.g. a community fund and area fund.

Organising the community benefit set up.

It is good practice for the developer to engage with the community as early as possible and in parallel with the planning process even though community benefit is

not a pre-requisite of gaining planning permission. The developer will then contact the community council, rural partnership or other community organisation locally with a view to building a relationship (refer to back page for a list of community contacts).

Engagement with the community is important whilst being aware that not all members of the community may welcome or favour the development. It is good practice however to hold open public meetings separate from the consultations on the development itself and support the local community to hold their own meetings without the developer present to engage local interest and opinions. It is hoped that the prospective developers would enter into a concordat with the host community. It is envisaged that the beginning of the community benefit discussions will lead to a commitment to:

- Engage openly with the community; for good practice engagement tools see <http://www.aberdeenshire.gov.uk/consultations/consultationtools.asp> for guidance.
- Make information available on project specific community benefit options.
- Work to support the correct means of benefit for the community.
- Be open and honest regarding the true financial gain from the renewable energy development to the community.
- Be clear about exit strategy.
- Make clear what the engagement can and cannot influence.

If agreement cannot be reached through the standardised methods used by developers for agreeing community benefit, it may be best practice to appoint local facilitators, i.e. rural partnerships.

The community may lack capacity in the initial stages and guidance from the developer can be helpful to engage further support i.e. legal and financial experts and build the host community's competence. Active communication is encouraged between the developer and the community to create or update a community action plan, involving the community as active partners throughout the process. There may be instances where it is appropriate to employ external skills to engage with the host community; these can be in the form of the rural partnerships and community councils to progress an action plan more efficiently and effectively.

When the community have formed or have appointed a group, it is important for the developer and the community body to draft and sign a memorandum of understanding (MoU). This document will take guidance from the community action plan and provide a better understanding between both the developer and the community of the way forward. It would be helpful to the community if the developer would provide financial assistance so that the community can obtain independent legal and financial advice and it is in the developer's interests for the community to be robust and legally sound.

There must be separation between the planning processes and the community benefit negotiations. Aberdeenshire Council elected members are free to participate in negotiations with renewable energy developers to secure community benefit but must forgo any involvement in determining the relevant planning application thereafter. Councillors will need to exercise good judgement in respect of attending

any open meetings and whether or not they partake in any negotiations. If a member is involved with any discussion or negotiation that would result in a conflict of interest, he or she should properly declare an interest and forego any part in the planning process.

Forms of Community Benefit

Community benefit is entirely separate from developer obligations which are secured through a planning obligation under section 75 of the Town and Country Planning (Scotland) Act 1997 or other form of agreement. Community benefit is a single agreement between the developer and the community; it will not influence the planning application nor is it linked to any separate agreements with the landowner.

Community benefit can take several forms depending on the community needs, and the size and nature of the development. It is encouraged that the developer will invest at least £5,000 per installed megawatt, index linked for the lifetime of the project. There are a variety of methods that a developer can choose to do this including the traditional method such as a community led financial fund. Other methods can be to support a community buy out, invest in large scale projects or a mix of benefits. It is a good idea to consult with the community and it is good practice to hold the discussions between the developer and the affected community early in the process and mutually agree the most appropriate approach to community benefit.

There are a variety of options available such as:

- An annual sum linked to the performance of the development.
- An annual lump sum up to a maximum figure.
- The community owning an equitable stake holding in the renewable energy project, where the host community would benefit from direct proportion of the net revenue.
- Benefit in kind, examples include host community improvements, apprenticeships in the renewable energy sector, scholarships for university.

Administration of Community Benefit

It is good practice for the developer to make the host community aware of the level of commitment and cost involved in setting up and administering the community benefit fund. The onus is on the developer to explain the costs involved and agree with the host community best way to do this. The host community body may want to administer the fund themselves or outsource to a not for profit group or local

business in the area with better capacity to undertake the task. The cost of the administration of the fund should be agreed separate from the community benefit fund and discussed with the community in the initial stages.

Engagement Evaluation

It is good practice to evaluate the engagement method and the key points you may wish to cover include:

- Have you engaged the whole community?
- Did the community understand why they were involved in the exercise?
- Was the information written in plain language, and easy to read and understand?
- Were all the arrangements suitable to encourage participation?
- Did participants feel the engagement was fair balanced and that their views were considered?

Further reading

Scottish Government Good Practice Principles for Community Benefits from Onshore Renewable Energy Developments.

<http://www.localenergyscotland.org/media/34682/Good-Practice-Principles.pdf>

Contacts

For a list of community councils in your area please refer to the Aberdeenshire Council Website

<http://www.aberdeenshire.gov.uk/communitycouncils/>

Rural Partnership Contacts in your area

<http://www.ruralpartnerships.co.uk>

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